

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 EC BRU 04479 241843Z

70

ACTION EUR-25

INFO OCT-01 ISO-00 SWF-02 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SP-03

STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01 XMB-07

EA-11 IO-14 NEA-14 OPIC-12 DODE-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SS-20 USIA-15 DRC-01 /215 W

----- 006673

R 241757Z JUN 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7100

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 4479

DEPARTMENT PASS EX-IM BANK AND TREASURY FOR BENNETT

OECD PASS WENDT

E.O. 11652: NA

TAGS: EFIN, EEC

SUBJECT: COMMISSION PROPOSAL REGARDING THE GENTLEMAN'S AGREE-
MENT ON EXPORT CREDITS

1. MRS. ARCHIBALD GAVE THE MISSION JUNE 24 A MESSAGE
REGARDING THE PROPOSED GENTLEMAN'S AGREEMENT AND ASKED THAT
WE TRANSMIT IT TO UNDER SECRETARY BENNETT. TEXT
FOLLOWS.

2. BEGIN TEXT: THE MEMBER STATES OF THE EEC AND THE
COMMISSION HAVE CONSIDERED THE POINTS TO BE DISCUSSED
AT OUR NEXT MEETING WHICH WE SET OUT BELOW. WILL YOU

PLEASE LET US KNOW WHETHER YOU THINK THAT THESE POINTS
COULD FORM THE SUBSTANCE OF OUR PROPOSED GENTLEMAN'S

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 04479 241843Z

AGREEMENT, IT BEING UNDERSTOOD THAT THIS IS WITHOUT
PREJUDICE TO OTHER MATTERS CONTAINED IN OUR ORI-

GINAL PROPOSAL.

IF SO, WE WOULD BE PREPARED TO COME TO
WASHINGTON ON 10 JULY 1974.

IF NOT, WE DOUBT IF SUFFICIENT PROGRESS COULD
BE MADE TO JUSTIFY OUR COMING AT THIS TIME.

POINT 1: RELATING TO MAXIMUM LENGTH OF CREDIT

WE WOULD BE PRPARED TO ACCEPT A COMPROMISE TO
ASSIST YOU IN YOUR DIFFICULTIES IN ADOPTING OUR
POINT OF VIEW: AGREEMENT ON 8 AND ONE HALF YEARS CREDIT FOR
ALL COUNTRIES EXCEPT FOR DEVELOPING COUNTRIES WHERE 10
YEARS WOULD APPLY.

POINT 2: RELATING TO INTEREST RATE

AGREEMENT ON A MINIMUM RATE OF 7 PERCENT BY
WHICH IS MEANT THE JAPANESE AND AMERICAN MIXED RATE
OR THE FINANCING RATE OF FINANCIAL CREDITS OR THE
REFINANCING RATE OF SUPPLIER CREDITS AND NOT THE
CONTRACT RATE TO BE PAID BY THE BENEFICIARY OF THE
CREDIT, GIVEN THAT THIS FINANCING OR REFINANCING RATE
EXCLUDES ALL:

--BANK COMMISSIONS OTHER THAN THOSE ALREADY TAKEN
INTO ACCOUNT FOR CALCULATING PUBLIC MEASURES;

--EXPORT CREDIT INSURANCE CHARGES.

WE WOULD MOREOVER BE PREPARED TO SUBSCRIBE TO
AN OBJECTIVE OF 8 PERCENT BEING A MINIMUM AVERAGE
EFFECTIVE COST OF ALL COMMERCIAL EXPORTS CREDITS IN-
CLUDING ADDITIONAL BANK CHARGES AND INSURANCE PRE-
MIUMS (GUARANTEE FEES).

POINT 3: EXTENT OF THE GENTLEMAN'S AGREEMENT

IN ORDER TO FACILITATE RESULTS THE GENTLEMAN'S
AGREEMENT MUST BE CONFINED TO THE FOREGOING ASPECTS.

HOWEVER, OTHER ASPECTS COULD BE DISUCSSED AT A
LATER STAGE AS SOON AS IS CONVENIENT TO ALL PARTIES. END TEXT

X

X X

MRS. ARCHIBALD STATES THAT SHE HAS GIVEN A COPY OF THE MESSAGE
TO MR. BENNETT TO THE JAPANESE MISSION IN
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 EC BRU 04479 241843Z

BRUSSELS FOR TRANSMISSION TO TOKYO.GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, AGREEMENTS, CREDIT
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU04479
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740166-0074
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740620/aaaaarab.tel
Line Count: 106
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2002 by izenbei0>; APPROVED <18 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COMMISSION PROPOSAL REGARDING THE GENTLEMAN'S AGREE- MENT ON EXPORT CREDITS
TAGS: EFIN, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005